My description of the hospital system in Maryland may be an oversimplification. Our problem has been one of bringing about a balance between the categories of institutions. Jointly with the federal government, we have administered the Hill-Burton or Hospital Construction Program under which new hospitals, or additions to existing ones, have been constructed in Baltimore City and most of the counties during the first ten years of that program. Our chronic disease hospital program was inaugurated with the authorization of the construction of three hospitals by the 1945 General Assembly. The three-Deer's Head in Salisbury, Montebello in Baltimore and Western Maryland State Hospital in Hagerstown-have a total capacity of 1,062 beds. Deer's Head with 284 beds, is now fully staffed and occupied. Montebello, with 480 beds, and Western Maryland with 289, are not fully utilized because of staffing problems. I think it should be pointed out that, while the length of stay of patients has been shortened generally by the more intensive services available, the chronic disease hospitals have also contributed greatly to this reduction in length of stay.

In recent years, Maryland's mental institutions and tuberculosis hospitals have been able to admit patients as the need has occurred. In general, the transfer of patients between the categories named has been accomplished with reasonable dispatch.

The bottleneck now is in the category of nursing homes, and, upon my recommendation, the General Assembly at its recent session took steps to alleviate that condition. Most of the nursing homes in Maryland are operated privately for profit, and as a result they are situated in areas of highest income. Conversely, the areas of low income are in short supply. Recently, I signed into law legislation which will provide state funds to match federal funds to provide two-thirds of the cost of building and equipping nursing homes. These funds are available to non-profit corporations and public bodies. Highest priority will be given to areas of low-income and of the highest unmet need for nursing homes. I hope and expect that as a result of this action a sufficient number of nursing homes to meet the needs of this type of service will be constructed. As these nursing homes are built, we hope to arrive at a balance with other types of facilities so that there will be a free flow of patients who need such services from the general, chronic disease, mental and tuberculosis hospitals into the nursing homes.

In this connection, it should be noted that the recent session of the General Assembly also took steps to increase welfare grants to persons needing care in nursing homes. In my supplemental budget, funds were provided to increase the grants to such persons from the present \$120